

AR07

# Mount Wright Iron Mines Company Limited

*Annual Report*

For the year ended December 31, 1973

**MOUNT WRIGHT IRON MINES COMPANY LIMITED**

**Officers**

|                               |                    |
|-------------------------------|--------------------|
| President .....               | R. C. STANLEY, JR. |
| Vice-President .....          | P. A. ALLEN        |
| Secretary-Treasurer .....     | IAN T. H. HAMILTON |
| Vice-President - Mining ..... | D. M. GIACHINO     |

**Directors**

|                |                    |
|----------------|--------------------|
| J. C. L. ALLEN | I. T. H. HAMILTON  |
| P. A. ALLEN    | R. C. STANLEY, JR. |
|                | D. C. WEBSTER      |

**Transfer Agent**

CANADA PERMANENT TRUST COMPANY  
Toronto, Ontario

**Auditors**

THORNE GUNN & CO.  
Toronto, Ontario

**Head Office**

Suite 1900, 101 Richmond Street West, Toronto, Ontario

**MOUNT WRIGHT IRON MINES COMPANY LIMITED**  
 (Incorporated under the laws of Ontario)

**BALANCE SHEET — DECEMBER 31, 1973**  
 (with comparative figures at December 31, 1972)

|  | ASSETS               | 1973              | 1972 |
|--|----------------------|-------------------|------|
| <b>CURRENT ASSETS</b>  |                      |                   |      |
| Cash .....   | \$ 962               | \$ 5,777          |      |
| Marketable securities, at cost (quoted market value 1973, \$30,000;<br>1972, \$29,500) .....                           | 31,122               | 31,122            |      |
|  | <u>32,084</u>        | <u>36,899</u>     |      |
| <b>MINING PROPERTIES AND CLAIMS</b>  |                      |                   |      |
| Mount Wright Area, Quebec, at the value placed on 1,000,000 shares issued<br>therefor plus \$4,600 cash (note 1) ..... | 304,600              | 304,600           |      |
| <b>OTHER ASSETS AND DEFERRED EXPENDITURES</b>  |                      |                   |      |
| Exploration and administrative expenditures deferred (note 1) .....  | 566,419              | 559,141           |      |
| Other, at nominal value .....  | 4                    | 4                 |      |
|  | <u>566,423</u>       | <u>559,145</u>    |      |
|  | <u>\$ 903,107</u>    | <u>\$ 900,644</u> |      |
|  | LIABILITIES          |                   |      |
| <b>CURRENT LIABILITIES</b>   |                      |                   |      |
| Payable to associated company .....  | \$ 1,550             | \$ 1,550          |      |
| 6% subordinated loan payable to associated company .....   | <u>1,550</u>         | <u>15,450</u>     |      |
|  | <u>16,363</u>        | <u>15,450</u>     |      |
| <b>LONG TERM DEBT</b>  |                      |                   |      |
| 6% subordinated debenture (note 2) .....   | <u>16,363</u>        |                   |      |
|  | SHAREHOLDERS' EQUITY |                   |      |
| <b>CAPITAL STOCK (note 2)</b>  |                      |                   |      |
| Authorized — 7,500,000 shares of \$1 each  |                      |                   |      |
| Issued — 4,880,000 shares .....  | 4,880,000            | 4,880,000         |      |
| Less discount on shares .....  | 2,990,769            | 2,990,769         |      |
|  | <u>1,889,231</u>     | <u>1,889,231</u>  |      |
| <b>CONTRIBUTED SURPLUS, arising from reduction of capital stock in 1958</b>  |                      |                   |      |
| .....  | 1,367,195            | 1,367,195         |      |
|  | <u>3,256,426</u>     | <u>3,256,426</u>  |      |
| <b>DEFICIT</b>   |                      |                   |      |
| .....  | 2,371,232            | 2,371,232         |      |
|  | <u>885,194</u>       | <u>885,194</u>    |      |
|  | <u>\$ 903,107</u>    | <u>\$ 900,644</u> |      |

Approved by the Board

P. A. Allen, Director

D. C. Webster, Director

**AUDITORS' REPORT**

**To the Shareholders of Mount Wright Iron Mines Company Limited**

We have examined the balance sheet of Mount Wright Iron Mines Company Limited as at December 31, 1973 and the statements of exploration and administrative expenditures deferred and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Canada  
 January 7, 1974

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1973 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE GUNN & CO.  
 Chartered Accountants

**MOUNT WRIGHT IRON MINES COMPANY LIMITED**

**STATEMENT OF EXPLORATION AND ADMINISTRATIVE EXPENDITURES DEFERRED**

**YEAR ENDED DECEMBER 31, 1973**

(with comparative figures for 1972)

| Administrative                                       | <b>1973</b> | <b>1972</b> |
|--|-------------|-------------|
| Meetings and reports .....                           | \$ 2,034    | \$ 3,327    |
| Share issue and stock exchange listing expense ..... | 4,593       | 4,569       |
| Interest expense on subordinated liability .....     | 914         | 450         |
| Legal and audit .....                                | 1,010       | 425         |
| Sundry .....   | 127         | 182         |
|  | 8,678       | 8,953       |
| Deduct interest and dividends .....                  | 1,400       | 1,327       |
| Expenditures (net) for the year .....                | 7,278       | 7,626       |
| Balance deferred at beginning of year .....          | 559,141     | 551,515     |
| Balance deferred at end of year .....                | \$ 566,419  | \$ 559,141  |

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

**YEAR ENDED DECEMBER 31, 1973**

(with comparative figures for 1972)

| Source of funds                                      | <b>1973</b> | <b>1972</b> |
|--|-------------|-------------|
| 6% subordinated debenture .....                      | \$ 16,363   | Nil         |
| Application of funds                                 |             |             |
| Administrative expenditures (net) for the year ..... | 7,278       | \$ 7,626    |
| Increase (decrease) in working capital .....         | 9,085       | (7,626)     |
| Working capital at beginning of year .....           | 21,449      | 29,075      |
| Working capital at end of year .....                 | \$ 30,534   | \$ 21,449   |

**NOTES TO FINANCIAL STATEMENTS**

**Year ended December 31, 1973**

**1. RECOVERY OF COSTS**

The recovery of costs of mining properties and claims and exploration and administrative expenditures deferred is dependent upon obtaining adequate financing and developing a sufficient quantity of ore of economic value.

**2. SUBORDINATED DEBENTURE**

The subordinated debenture is payable to an associated company at any time after July 4, 1978 but is not callable prior thereto. At the option of the holder it is convertible at any time after July 5, 1974 into 61,800 shares of the capital stock of the company. The company has the right to prepay the debenture at any time prior to maturity without notice or bonus to the extent that its working capital is not reduced below \$75,000.